

**§ 982.46 Inspection and certification.**

(a) Before or upon handling any hazelnuts, or before any inshell or shelled hazelnuts are credited (under §§ 982.50 or 982.51) in satisfaction of a restricted obligation, each handler shall, at his own expense, cause such hazelnuts to be inspected and certified by the Federal-State Inspection Service as meeting the then effective grade and size regulations or, if inshell or shelled hazelnuts are withheld under § 982.51, the applicable requirements specified in that section. The handler obtaining such inspection of hazelnuts shall cause a copy of the certificate issued by such inspection service applicable to such hazelnuts to be furnished to the Board.

(b) All hazelnuts so inspected and certified shall be identified as prescribed by the Board. Such identification shall be affixed to the hazelnut containers by the handler under direction and supervision of the Board or the Federal-State Inspection Service, and shall not be removed or altered by any person except as directed by the Board.

(c) Whenever the Board determines that the length of time in storage and conditions of storage of any lot of certified merchantable hazelnuts have been or are such as to normally cause deterioration, it may require that such lot of hazelnuts be reinspected at the handler's expense prior to handling.

[40 FR 53227, Nov. 17, 1975, as amended at 61 FR 17560, Apr. 22, 1996]

## CONTROL OF DISTRIBUTION

**§ 982.50 Restricted obligation.**

(a) No handler shall handle inshell hazelnuts unless prior to or upon shipment thereof, he: (1) Has withheld from handling a quantity, by weight, of certified merchantable hazelnuts determined by dividing the quantity handled, or to be handled, by the applicable free percentage and multiplying the quotient by the restricted percentage; (2) has withheld from handling an equivalent quantity of creditable ungraded inshell hazelnuts under § 982.51(a); or (3) has under § 982.51(b), declared in lieu of a quantity of certified merchantable hazelnuts, under paragraph (a)(1) of this section, the

equivalent quantity, by weight as determined under that section, of shelled hazelnuts certified as meeting the standards in effect for Oregon No. 1 grade for shelled hazelnuts as contained in Oregon Grade Standards for Hazelnut Kernels or such other standards as may be recommended by the Board and established by the Secretary. Any handler who intends to withhold shelled hazelnuts in satisfaction of a restricted obligation must make such declaration to the Board prior to shelling any such hazelnuts. Withholding may be temporarily deferred under the bonding provisions in § 982.54. The quantity of hazelnuts required to be withheld shall be the restricted obligation. Certified merchantable hazelnuts handled in accordance with this subpart shall be deemed to be the handler's quota fixed by the Secretary within the meaning of section 8a(5) of the Act.

(b) Inshell hazelnuts withheld by a handler in satisfaction of his restricted obligation shall not be handled and shall be held by him subject to examination by and accounting control of, the Board until disposed of pursuant to this part.

(c) A handler having certified merchantable hazelnuts which have not been handled at the end of a marketing year may elect to have those hazelnuts bear the restricted and assessment obligations of that year or of the marketing year in which handled. The Board shall establish such procedures as are necessary to facilitate the administration of this option among handlers.

(d) Whenever the restricted percentage for a marketing year is reduced, each handler's restricted obligation shall be reduced to conform with the new restricted percentage. Any handler who, upon such reduction, is withholding restricted hazelnuts in excess of his new restricted obligation may have the excess freed from withholding by complying with such procedures as the Board may require to insure identification of the remaining hazelnuts withheld.

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